

## Politics and International Relations Workshop I

### Summary of Discussions

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The discussion began with issues of definitions. “Americanism” is a broad concept that has been used by many people with various meanings. The American Medical Association (AMA) was successful in labeling any attempt to expand public health care as “anti-American.” “Socialized medicine” is also an elastic concept; the AMA used it for any government role in health care, which was then equated to socialism or even communism. The fact that the cold war was underway in the late 1940s made the tactic of linking public health care to communism effective, but note Medicare was passed in 1965 when the cold war was still going.

It is important to note that the “anti-American” argument was not the chief reason why universal health care did not pass. A bigger factor was that by the late 1940s about half of the American population was already covered by private insurance, which both reduced the demand for public health expansion, and strengthened the power of the health insurance industry.

The idea of Americanism was fundamental to the ideology of the American Legion (AL). It used to sponsor programs in schools to promote patriotism and the flag. Such a view is not unusual for a veterans association—in Japan as well, veterans groups have been big supporters of the Emperor. That is why the AL was vulnerable to attacks from the AMA that saw an expansion of the Veterans Administration (VA) hospital system as anti-American. The AL had advocated an expansion of the VA system to cover all veterans rather than just service-connected disabilities, but it backed away from that demand after criticism from the AMA.

It is important to understand the context for the AL. It was deeply affected by how badly veterans had been treated after the first world war and was determined to do better. The benefits for housing, education and so forth contained in the GI Bill had been very difficult to get through Congress because they were new ideas, and many congressmen opposed them, arguing that the war was over and veterans should not get special treatment. Even after passage the GI Bill was in a delicate political situation, and there was fear it would be threatened if the AL got embroiled in a controversy over expansion of public health, which would draw even more opposition. So the AL sacrificed one of its preferences to preserve the others.

A background factor that helps explain why the UK and Japan passed universal programs after the war while the US favored veterans only is that in the US only the soldiers really suffered during the war, not the whole populations. But on top of that, the strength of both anti-Communism and the free-market ideology also seem to be factors.

The AL was not able to build effective coalitions to achieve its policy goals. It had difficult relationships with labor unions, which it tended to criticize as putting the interests of their members ahead of the country. It competed more than cooperated with narrower veterans organizations like the Veterans of Foreign Wars and the Disabled American Veterans. The VA itself had been an ally of the AL at first, but when it was forced to cut back on some programs in a government economizing drive in 1947, the AL criticized it bitterly. Since the AL lacked the financial strength of the AMA, it was generally weak in political resources other than ideology.

In understanding why universal health care did not succeed in the late 1940s, some of its proponents later thought that the proposal (which was essentially single-payer, influenced by the Beveridge Plan) might have been too centralized for Americans to support. A more fragmented and incremental approach might have done better. Of course, this issue has echoed down the history of the health reform debate and is quite important today.

Prof. Gottschalk added several points to the discussion. Veterans have often not been treated well in the US, partly because the extensive benefits after the Civil War became corrupted. It is good to look at a broader range of interest groups in health reform; as Jennifer Klein's book<sup>1</sup> shows us, the AMA was not the real villain, it was more the skill of the health insurance industry in manipulating the AMA and other interest groups—perhaps the biggest key is how conservative groups have been framing the debate as if private benefits were basic and natural. Similarly, as Colleen Grogan pointed out, the hospital groups got Americans to see our big public investment in hospitals as amounting to charity care rather than as true public hospitals, at a time when we might have moved toward the UK model.<sup>2</sup> It is important to be clear on the quality of VA care, which has been characterized as shoddy but in some respects seems to be very good. As Joseph Stiglitz<sup>3</sup> has pointed out, a big part of the vast cost of the Iraq war is the need to take care of all the veterans coming back; maybe Americans should consider doing that in the context of a universal system. Finally, we need to get past the dichotomy of state vs market in health care, such as a socialized system like the UK or single-payer like Canada; as Uwe Reinhardt has observed, the French and German systems that include heavily regulated private insurance might be a better model for the US, but it is rarely discussed. The moderator added that the Japanese system might be even more appropriate for the US but it is almost totally unknown.

## Notes

1. *For all these rights: business, labor, and the shaping of America's public-private welfare state* (Princeton NJ: Princeton University Press, 1993).
2. Colleen M. Grogan and Michael K. Gusmano, *Healthy voices, unhealthy silence: advocacy and health policy for the poor* (Washington DC: Georgetown University Press, 2007)
3. Linda Barnes and Joseph Stiglitz, *The Three Trillion Dollar War: The True Cost of the Iraq Conflict* (New York: Norton, 2008).